

PUBLIC SERVICE COMMISSION

Annual Report

2001-2002



CHAPTER P - 43

AN ACT RESPECTING THE PUBLIC SERVICE COMMISSION OF THE PROVINCE

Analysis

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Short title

1. This Act may be cited as the *Public Service Commission Act*.

1973 No116 s1

Definitions

2. In this Act

(a) "agency" means a body comprising the public service as defined by paragraph (k);

(b) "chairperson" means the chairperson of the commission;

(c) "chief executive officer" means



GOVERNMENT OF
NEWFOUNDLAND
AND LABRADOR
Public Service Commission

December 11th, 2002

The Honourable Joan Marie Aylward
Minister Responsible for the
Public Service Commission

Pursuant to Section 17 of the *Public Service Commission Act*, I have the honour to submit to you the Annual Report of the Public Service Commission for the Fiscal Year ended March 31, 2002.

May I take this opportunity to acknowledge the assistance of my fellow Commissioners and the diligent work and dedication of our staff.

ALPHONSUS FAOUR
Chair & Chief Executive Officer

PUBLIC SERVICE COMMISSION

VALUES

The Public Service Commission is committed to:

- ▶ Public Service Excellence
- ▶ Respect for the Individual
- ▶ Merit, Fairness and Transparency in Public Service Work

MISSION

- ▶ Appointments and Promotions
- ▶ Workplace Wellness
- ▶ Adjudication
- ▶ Innovation

VISION

A professional, non-partisan public service dedicated to excellence.

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Introduction

The Public Service Commission was established by the *Public Service Commission Act* in 1973. The legislation was passed by the House of Assembly in recognition of its belief that a competent, professional and non-partisan public service requires oversight by an independent agency operating at arms length from government.

The Commission's unique "Honest Broker" role as an independent, politically neutral agency positions it to deal with matters requiring a high level of confidentiality; to provide an unquestioned environment of fairness, equity and transparency; and, by its reliability, to establish and maintain the trust of government and the public service.

In fiscal year 2001-02, the Public Service Commission initiated a restructuring of the Human Resource Management system within the provincial public service. This initiative was taken as a result of organizational deficiencies identified in the traditional model. In particular, areas of overlap existed between the two central agencies with Human Resource Management responsibility - the Treasury Board Secretariat and the Public Service Commission.

The newly adopted model of Human Resource Management in the public service allocates to the Treasury Board Secretariat duties and responsibilities that are consistent with its role as the executive arm of the employer, the Treasury Board.

In the new model, the following organizational changes were made:

- A Strategic Human Resource Management branch, under the responsibility of an Associate Deputy Minister, was created within the Treasury Board Secretariat;
- A Senior Executive Management Committee, comprised of the Clerk of the Executive Council, the Secretary to Treasury Board, the Chair of the PSC and several senior Deputy Ministers was established to provide advice on the strategic direction of Human Resource Management within the public service.

While the duties and responsibilities allocated to the Public Service Commission remain consistent with its legislated mandate, its own organizational structure was also realigned. The new structure reflects its role as an arms length oversight agency. The Commission has, as its core mandate, staffing policy and the assessment of effective human resource management practices within the public service. Other functions which require delivery by an independent, credible, politically neutral agency have also been assigned to the PSC by government.

In addition, an appeal and investigation directorate was established within the PSC. This enables the Commission to provide an independent, unbiased review of staffing related complaints and the administration of other quasi-judicial activities. Programs and activities that were not consistent with our role were transferred to the Treasury Board Secretariat.

The legislated mandate and assigned tasks of the Commission are accomplished through the following organizational structure and key lines of business:



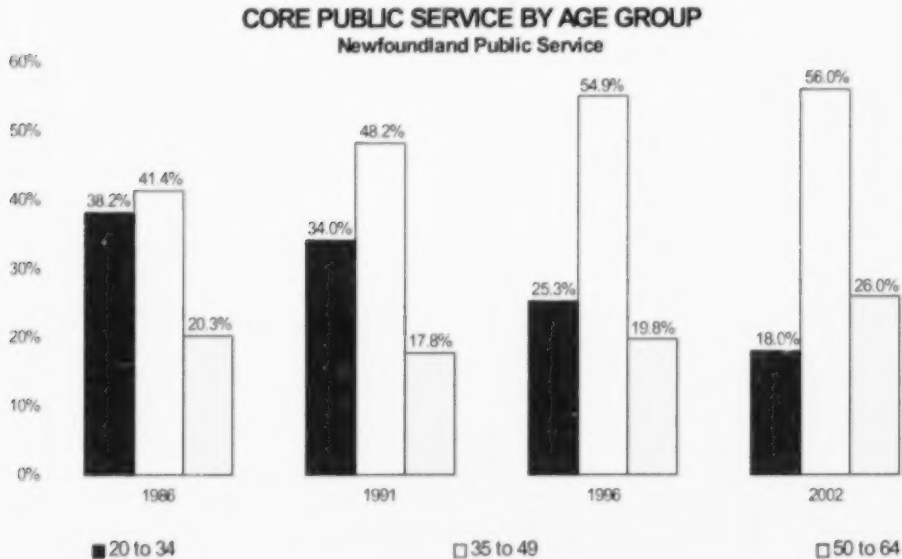
I Commission Perspectives

"In our increasingly competitive world, countries need effective governments — not only to develop and support the policy frameworks that promote efficiency, innovation and good governance but also to ensure that citizens have access to the highest quality, most cost-effective services. This requires having the people in place and readily accessible. Good government, then, depends on the culture and performance of the public service."

Conference Board of Canada, "Building Tomorrow's Public Service Today: Challenges and Solutions in Recruitment and Retention".

It was in the cause of a professional, non-partisan, competent public service dedicated to excellence that the Public Service Commission was established in 1974. For almost 30 years, the PSC has been a key agency in the human resource management of the public service with the Treasury Board. As an arms-length, independent agency, the Commission has focused on the preservation of the merit principle, in recruitment and promotion, as one of the core elements required to ensure a high quality public service. However, merit alone is insufficient to assure that objective. The effective management of the people who perform public services is critical. As a consequence, the Commission, in pursuance of its role as independent protector of public interest values and in accordance with its legislated requirements, must offer commentary on those human resource management issues which it feels affect the public service.

In its 2000-01 Annual Report, the Commission commented on challenges facing the public service. Those arose from the demographic pressures both within and outside the organization (see table next page) and from the continued fiscal pressures faced by the Province. We recommended attention be paid to two broad areas of public management: first, the structure and accountability for human resource management; and second, the protection of the merit principle in appointments and promotions within the public service. We are pleased to report that progress has been made on both counts.



The Commission initiated discussions with Treasury Board and the result was a restructuring which significantly improved accountability for Human Resource Management within the core public service. An Associate Deputy Minister position, with responsibility for strategic human resource management, was created in Treasury Board. The new Strategic Human Resources Branch has begun a series of initiatives. These include service wide human resource planning and a re-profiling of the central funding for system-wide organizational development initiatives.

The PSC has begun constructing a new staffing model to protect the merit principle. In particular, the extension of Commission jurisdiction to a variety of temporary appointments and assignments will permit greater assurance that the staffing process is actually serving the goal of building a public service which will engender the trust and confidence of citizens of the province.

Ensuring the continuation of a high quality public service requires effective and innovative human resource management practices. In this year's report we wish to comment on three major issues which, in our view, the public service must address if it is to adequately face the challenges of the future. The first, the need for effective human resource management strategies across a range of functions, should be primarily led by Treasury Board but requires the involvement of the entire organization. The second, the state of the leadership group, is one which requires coordinated action by several central agencies. The third, the protection of merit principles in recruitment and promotion, is one which concerns the Commission and its core mandate. They all impact on our preparedness for the challenges which lie ahead.

The Need For A Strategic Human Resource Management Perspective

The public service is facing challenges unprecedented in recent history. We have mentioned earlier the challenges posed by our demographics. When combined with an increasingly competitive labour market, our ability to maintain a professional organization is sorely tested. Additionally, two environmental issues exacerbate those challenges within the public service. They are, first, the organizational climate within the public service created by our responses to the fiscal challenges of the 1990's, and second, the continued fiscal pressures facing the public sector.

The management environment in the 1990's took its toll on the public service. The major pre-occupation with the fiscal and economic pressures facing this province led to a series of major restructuring and downsizing initiatives. Besides the immediate difficulties of dealing with the large number of people leaving the organization, the hiring freezes and layoffs have "aged" public service workforces. In accordance with seniority requirements of the various collective agreements, many layoffs were targeted to younger, junior employees with little service. Coupled with the limited recruitment during that time, the public service is left with a very small cadre of younger employees. With a disproportionate number of retirements expected in the next few years, there is a need to focus on recruitment and retention initiatives.

In addition to its impact on the aging of the public service, a decade of financial restraint has had a negative effect on the climate of the public service. The level of instability increased stress levels on individuals within the organization, evidenced in part by the increase in referrals to the Employee Assistance Program (see table page 23).

While driven by the very serious fiscal circumstance facing the province, these difficulties were generally managed with insufficient attention to the human resource requirements of the public service. It is safe to say that "employee issues" were not always a priority with either elected or non-elected officials as government faced crushing financial burdens. While the money crunch eased by the late 1990's, recent trends in both the 2001-02 and 2002-03 budgets have indicated that our fiscal pressures are continuing.

Future fiscal problems will have to be addressed in the context of a very different management environment than was faced in the mid-1990's. At that time, there was a perception of a job market that would always provide a pool of skilled people needed for the public service. Today, in addition to fiscal challenges, our organization faces considerable human resource challenges.

The public service is the only instrument by which elected government is able to carry out its mandate and it requires skilled, talented and motivated people to do so. While it is extremely important that the fiscal and organizational challenges be met, it must be done in a way that preserves the capacity of the public service to produce.

Facing the major challenges of our demographics and fiscal pressures calls for close coordination between the human resource and financial considerations of public management. If we manage in the future as we have in the past, we fear serious harm to the continued capacity of the public service to perform. The lesson for the future is that human resource professionals must be at the management table when major decisions are made which may impact on the public service.

In order to provide the best possible public administration to support elected government and deliver services to the public, the public service must provide a balanced management strategy. By way of example, we refer to the decision of the government to regionalize certain services in 2000-01. The Commission is not in a position to comment on the merits of the regionalization decision or to question the democratically elected government's authority to make that decision. However, once made, the responsibility of the public service is to ensure that the program is managed with equal consideration to financial, organizational and human resource implications. In this case, a human resource strategy was developed with the objective of minimizing the adverse impacts on employees. With this approach, the government achieved its policy objective and through the efforts of the public service, was able to minimize involuntary job losses and offer personal supports to affected workers and their families.

We are pleased to report that in our view, the past year has seen the beginning of a significant and positive shift in the way in which human resource issues are managed in the public service. The initial steps taken by the Treasury Board Secretariat in the area of human resource planning, with a view to a broad initiative in succession planning, should lay an essential foundation for effective future public administration. In our view, this approach is vastly superior. Financial and human resource issues must be fully explored with elected government before major management and policy decisions are taken which affect the public service. This effort must continue.

Development of Leadership Cadre

All organizations require a vibrant leadership cadre. The public service is no different and in recent history has had executives and managers equal to their counterparts across the nation. The existence of a high performing senior management group is now being challenged by a variety of factors. The demographic crunch and the competitive labour market affect all parts of the public service, including the senior levels. For this group, there is an increasing compensation gap when compared with other employers in the private and public sectors. The future challenge will be to maintain high organizational performance and preserve corporate memory while attempting to recruit and retain senior executive employees.

In our view, special action is required in this area. Given the organizational profile of this group and our view that a multi-faceted approach is required, we recommend a comprehensive examination of the factors which can have an impact on the development of a high performing senior management cadre. This examination should focus on the recruitment and promotion of executives and the creation of feeder groups from which executive and management appointments may be made. It should consider entry level recruitment initiatives and the provision of opportunities for employees already within the organization. It should examine and recommend training and development programs for these groups, as well as compensation and benefit levels. Any initiative attempting to address this issue must also include an examination of the labour market within which the government will be competing for talent in the next decade.

In the area of recruitment and promotion, we believe that consideration should be given to placing the appointment of assistant deputy ministers under the auspices of the Public Service Commission. Currently these appointments are made by Order in Council. Our survey of other jurisdictions shows that only Newfoundland and Labrador makes entry level appointments to the Executive ranks by Order in Council. In the

Government of Canada, by way of example, assistant deputy ministers are appointed through processes set by the Public Service Commission. This is in no way a reflection on the quality of current appointments. However, the lack of open and transparent processes for such appointments lessens their credibility in the eyes of the public and in the eyes of public employees. By extension, the application of merit principles to these appointments would enhance the credibility of the entire public service as a professional, non-partisan organization.

For an examination of this magnitude to have credibility, we recommend that it should be conducted by an independent task force, led by an eminent private sector leader, with a mandate to make appropriate recommendations to government.

Protection of Merit in Recruitment and Promotion

This year we have identified two major challenges in the use of merit based processes; first, the pervasive use of temporary appointments within the public service, and second, the requirement that our merit-based processes must not only be fair, transparent and equitable, but also efficient and effective in identifying professionals who have the skills necessary to ensure the public service can continue to be highly productive.

Our audit processes, reported in Section III of this report, have determined that during the past two years 70% of vacancies have been filled on a temporary basis. While in any organization there are transient requirements for temporary assignments, this practice has adverse impacts on the organization. The reliance of the public service on temporary jobs adversely impacts on its ability to recruit highly skilled workers who may be unwilling to leave current employers without an offer of relative job security.

Our audit also confirms that many temporary employment opportunities have been filled using Commission-approved processes, showing a significant organizational commitment to merit principles, even where there was no obligation to do so. However, protection of the public interest in this area requires more than reliance on organizational commitment to merit. When temporary employment opportunities are filled without the application of merit principles, the spirit of the Public Service Commission Act is violated and the effectiveness of the delivery of government programs and public services is jeopardized.

The Commission has, during the year, asserted its jurisdiction over all temporary assignments of permanent employees in an effort to ensure that merit is protected and that the public service is able to recruit the best and brightest to carry out its functions. With this new policy, the Commission's annual audit will now track all temporary hiring. This will enable us to report on the full range of staffing transactions and to provide assurances that appointments and promotions within the public service are being granted on the basis of merit.

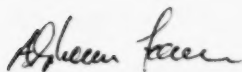
The assertion of jurisdiction in this area is not sufficient, by itself, to fully realize the protection of merit in hiring. A general commitment to merit principles by all managers within the public service is essential. The Commission, for its part, will continue to promote the benefits of good staffing practices. It will assert its authority where required to assure public employees, legislators and the general public that the public service is being administered impartially, and that staff selection is free from partisanship, nepotism and bias.

The second element in protecting the merit principle is to ensure that the processes approved by the Commission actually meet the needs of the organization. We have always insisted on and our processes are recognized for the values of fairness, equity and transparency in staffing. However, processes that are not effective and timely will be resisted by managers. Current processes, while meeting the requirements of merit, do not always allow managers to plan for the future by encouraging employees to improve job skills and develop competencies in preparation for more senior opportunities. To face the demographic challenges and to ensure the human resource requirements of the public service are met in future, managers must be able to identify future needs and then plan and coordinate their recruitment, training, development and promotion strategies to meet them.

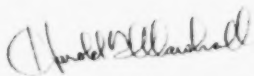
With an increased emphasis on human resource and succession planning in the public service, our staffing and recruitment processes must be revised to enable them to facilitate the organizational needs that are identified. A pursuit of increased efficiency in the selection process will require the development and delivery of new, improved staff selection methodologies which also ensure and protect merit principles.

In closing, the recruitment of skilled and talented people into the public service and their retention, require innovative policies in training, development, classification, compensation and benefits. They also require dealing with workplace issues such as conflict and harassment. Good government and quality performance in the provincial public sector depends on the caliber of public employees, which in turn depends on good public administration.

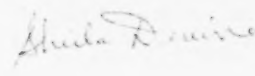
The balance of this Annual Report focuses on our key lines of business. We hope this will highlight the type of functions which make up our contribution to the human resource management of the public service from an independent, arms-length perspective.



ALPHONSUS FAOUR
Chair



HAROLD MARSHALL
Vice Chair



SHEILA DEVINE
Commissioner

... because the public service underpins all that we do in government. Whether in advising ministers on policy, supporting parliamentarians, delivering services to citizens across Canada or abroad, or in enforcing the law, we rely on the dedicated men and women who are the Public Service of Canada. The public service is one of the country's greatest assets. As a parliamentarian, I consider that a vital characteristic of our democracy is the positive energy and results that are produced when those elected to serve Canadians are supported by an impartial, non-partisan, professional, representative and bilingual public service. While it is true that we set the agenda, we must all recognize that our public servants make it happen.

Hon. Lucienne Robillard, President of Treasury Board for Canada, speaking in the House of Commons

II Key Findings

The Merit Principle

Excessive use of temporary appointments and promotions without the application of PSC approved selection processes is a violation of the Merit Principle and will have an adverse effect on government's ability to recruit and maintain skilled workers. In that regard, during Fiscal Year 2001-02:

- ▶ 573 (68%) of the 839 departmental requests to fill vacancies were for temporary opportunities;
- ▶ the Public Service Commission asserted its authority over all staffing actions that involved permanent employees and positions, whether or not the staffing action resulted in a permanent appointment; and
- ▶ Commission policy now requires that all promotions to management and non-bargaining positions must be filled on the basis of merit and through PSC approved selection processes.

The PSC audited the staffing activity of departments and agencies scheduled to the Public Service Commission Act. During the audit period, between April 2000 and December 2001, our audit revealed that:

- ▶ 1596 job competitions were conducted;
- ▶ there was sufficient documentation to assure the Commission that competitions adhered to the merit principles of fairness and transparency;
- ▶ most organizations had conducted job competitions for temporary positions, even in the absence of a policy obligation to do so, thereby demonstrating a commitment to the Merit Principle; and
- ▶ the average time required to complete a job competition was 6.5 weeks, a time period that is less than the average of the other Canadian public service jurisdictions.

Employee Assistance Programs

In partnership with the Treasury Board Secretariat, Departments, Unions, and the Public Sector Managers Association, the Public Service Commission has initiated a number of programs focussed on ensuring a respectful and healthy workplace for all employees. During Fiscal Year 2001-02:

- ▶ Confidential counselling services were provided to 695 employees:
 - ✓ a 9.7% increase in demand for services over the previous year;
 - ✓ a 125% increase in demand for service since 1996; and
 - ✓ the sixth consecutive year where the demand for services has increased;
- ▶ A random survey demonstrated the need for a Respectful Workplace Program:
 - ✓ 80% of respondents agreed that destructive conflict exists in the workplace;
 - ✓ 60% indicated they had been involved in a conflict situation that had a negative impact on their work;
 - ✓ over 60% felt that conflict is not managed well;
 - ✓ 28% have experienced harassment in the workplace; and
 - ✓ over 18% indicated they had taken sick leave due to unresolved workplace conflict.

Appeal and Investigation

During Fiscal Year 2001-02, the Public Service Commission received:

- ▶ five (5) management grievances alleging a violation of the personnel administration procedures;
- ▶ 120 referrals or consultations on Conflict of Interest issues;
- ▶ 200 staffing related enquiries; and
- ▶ 1095 appeals to the Classification Appeal Board.

It is significant that in Fiscal Year 2001-02, the Classification Appeal Board processed and finalized 67 appeals. A modified approach to these appeals is critical if a speedy disposition of these matters is to be rendered.

III Reports on Lines of Business

A. Staffing Policy, Consultation and Support

The Public Service Commission leads and supports the delivery of services which ensure qualified, competent workers are selected for public service employment on the basis of merit. This requires that vacancies be filled through processes which are fair, equitable and transparent; and which are perceived as such by employees and the public. Commission approved staffing policies and procedures must ensure that government's changing personnel requirements are able to be addressed in an environment of challenging workforce demographics. This requires researching and developing new policies that continue to reflect best practices in staff selection, including an emphasis on operational efficiency, effectiveness, fairness and merit. Training and consultative supports, to the public service Human Resource Management community and to chairs of selection boards, on Commission policy and procedures are also provided.

Summary of Activities and Findings

Temporary Employment

**Vacancies filled on a temporary basis:
68% in 2001-02
70% in 2000-01**

During 2001-02, for the second consecutive year, the Commission monitored departmental requests to fill vacancies. Similar to our findings from the previous year, 68% (573) of the 839 staffing requests were for temporary opportunities. While the utilization of temporary workers is essential for all major employers, excessive usage will adversely affect government's ability to recruit and retain highly skilled employees. This puts the effectiveness of the public service and government's ability to deliver its programs at risk.

A violation of the Merit Principle.

Our analysis of the use of temporary employment resulted in new Commission policy. Temporary appointments and promotions to management and non-bargaining unit positions previously could be granted without the administration of a PSC approved selection process. While staffing without competition may be faster, abuse of this flexibility is seen as a violation of the Merit Principle. Effective February 2002, temporary promotions into management and non-bargaining unit positions, anticipated

to be longer than six months duration, must be filled on the basis of merit and through the application of PSC approved selection processes. The Commission has modified its Delegation of Staffing Agreements with Departments and Agencies scheduled to its Act to reflect these requirements.

Training and Consultation

Training and consultation with departmental officials who have been certified by the PSC to chair selection boards is ongoing. This training is required as a condition of certification and to ensure standardization of the quality, efficiency and effectiveness of the staffing process within the public service.

Re-Employment Priority

The Re-Employment Priority Policy provides two years of priority consideration for alternate suitable employment within the public service. This is provided to permanent employees at risk of job loss due to position abolition or permanent disability. In the past, as many as 523 employees became eligible for this benefit in one fiscal year (1996-97). As a result of the continuing stability of public service employment during the past fiscal year and the specialized qualifications of the workers currently entitled to this benefit, the number of eligible employees remained relatively unchanged since March 2001.

RE-EMPLOYMENT PRIORITY LIST	
(01/02)	
<u>INTAKE</u>	
# Employees Eligible as of April 1/01	11
# Employees Added in FY 01/02	<u>8</u>
Sub Total # of Employees	19
<u>DISPOSITION</u>	
# Employees whose Entitlements Lapsed	5
# Employees Recalled to other Positions	<u>2</u>
Sub Total # of Employees	7
Total # Active as of March 31/02 12	

Restructuring

The Public Service Commission has a role in major organizational restructuring where the job security of public employees is at risk. During the last fiscal year, the PSC continued to provide support to employees and departments affected by government's Regionalization initiative. As a result of the range of supports and services provided, involuntary job loss was minimized.

ORGANIZATIONAL RESTRUCTURING (01/02)	
<i>Regionalization Statistics</i>	
* Affected Employees	221
<i>Disposition</i>	
* Redeployed into other Positions	126
* Accepted Relocation	49
* Retired	24
* Voluntarily Left the Public Service	17
* Exercised Bumping Rights under Collective Agreement	5

***Future Direction of
Staffing Policy,
Consultation and
Support for 2002-2003***

- Continue efforts to make the staff selection process more efficient. In part, this will be accomplished by placing greater emphasis on merit assessment through a broader range of Commission approved selection processes.
- Establish and deliver service wide communication and education strategies. This will improve internal and public perceptions of the appropriateness and the effectiveness of merit based public service hiring.
- Revitalize the Certification process for Chairs of Selection Boards. This will include specifying the requirements for the maintenance of Certification.

B STAFFING COMPLIANCE AND HUMAN RESOURCE MANAGEMENT AUDITING

In accordance with its legislation, the Public Service Commission has delegated staffing authority to Chief Executive Officers of scheduled departments and agencies. This delegation is conditional on their agreement to adhere to Commission approved selection processes. Managers within those organizations are now responsible for chairing selection boards and submitting recommendations for appointment, to their Chief Executive Officers, on behalf of the Public Service Commission. Annual audits are conducted by the Staffing and Compliance Division to confirm adherence to the terms of Delegation Agreements.

Arising from its legislated mandate to investigate and report on matters relative to the public service, its officers and employees, the Commission also audits the Human Resource Management systems and practices of the public service. Audits include arms length assessments of the effectiveness of all related programs and, where appropriate, recommendations for new program initiatives and direction.

Summary of Activities and Findings

Staffing Compliance

During 2001-02, the Commission focussed its audit of Merit on the effectiveness of the staffing process, as well as on clients perceptions of its fairness. This required a holistic revitalization of the staffing audit process. Whereas in the past, reviews strictly assessed adherence to policy and file documentation, this year's assessment of the staffing system also addressed client satisfaction and the quality of the selections made.

Statistical data from the 21 departments and agencies with Delegated Staffing Authority revealed that during the audit period, April 2000 to December 2001, there were 1596 job competitions completed for both permanent and temporary opportunities. Regrettably, we were unable to establish that all new hires and promotions were documented. The Staffing and Compliance Division randomly selected and audited 293 (18%) of the documented files. Based upon our review, a number of conclusions were reached:

**04/00 to 12/01:
1596 job competitions
293 audited.**

**6.5 weeks to finalize
job competitions.**

- ▶ Departmental documentation is not sufficient to enable the PSC to determine how many people were hired within the public service during the audit period. This issue must be addressed.
- ▶ While the quality of file administration varied between organizations, there was sufficient documentation to assure the Commission that the competitions conducted adhered to the basic merit principles of fairness and transparency.
- ▶ The average length of time required to finalize a job competition, from the closing of the job advertisement to the issuance of a selection recommendation, was approximately 6.5 weeks.
- ▶ Some temporary employees were selected through job competitions, even when there was no policy or collective agreement obligation to do so. This is a demonstration of organizational commitment to the Merit Principle.

Quality Audit

A quality audit of the results of the selection process was conducted. This included interviews with a sampling (112) of the departmental representatives who participated in the Selection Boards convened to fill the competitions audited. Each of the departmental representatives indicated their full satisfaction with the process, with the contribution offered by the Human Resource professionals who chaired the Boards and with selected candidates. The following reflects the comments and opinions offered:

- ▶ The candidates selected are very well qualified and doing well in their new jobs;
- ▶ The selection process worked well and upheld the Merit Principle;
- ▶ The Chairs of the Selection Boards are viewed as professional, competent, helpful and as doing a good job in delivering the staffing processes of the Public Service Commission; and

- ▶ In the words of one new manager, a long time employee who was participating in the staffing process for the first time, he was *"surprised"* when the interviews were completed. He felt the results were *"balanced"*, the process was *"fair"* and *"the best person got the job"*.

The process can take too long.

While negative comments were rare, some managers complained that the process can take too long (an average of 6.5 weeks) if the Board Chairs are busy or if the positions being filled are outside the headquarters area.

By way of comparative assessment, each of the other provinces, territories and the federal public service were surveyed to determine the time required to finalize a job competition. On the basis of the information provided, the average of the six (6) jurisdictions which responded to the survey was nine (9) weeks. It is noteworthy that only two (2) of the jurisdictions (Prince Edward Island and the North West Territories) reported an average time frame (four weeks), which is less than the Newfoundland and Labrador Public Service.

**Future Direction of Staff
Compliance and Human
Resource Management Auditing
for 2002-2003**

- ▶ Establish an audit mechanism to identify the number of jobs filled without competition. This will be accomplished by monitoring the payroll system and cross matching that data to an electronic staffing register which will be developed for departmental and agency completion.
- ▶ Consult and communicate with scheduled departments and agencies regarding new audit and data collection systems.
- ▶ Survey client satisfaction with the results of the staffing system.
- ▶ Establish a Human Resource Management Audit system.

C. THE GRADUATE RECRUITMENT PROGRAM

The Graduate Recruitment Program was established in 1999 to assist government in the development of a cadre of well trained, knowledgeable individuals who might aspire to fill future managerial and professional vacancies. One of the aims of this succession management program is to promote the Newfoundland and Labrador Public Service as a viable career option. It intends to accomplish this by informing potential recruits of the broad spectrum of career choices and developmental activities within the public service. This program has been introduced as part of a broader initiative aimed at the development of the public service.

Summary of Activities and FindingsRecruitment

**34 Graduate Recruit
positions funded.**

Since the program began in 1999, 34 Graduate Recruits (19 males, 15 females) have entered the public service. As of March 31, 2002:

- ▶ 29 are still completing their two year assignments;
- ▶ two (2) obtained full-time employment in the public service; and
- ▶ three (3) subsequently left the public service to pursue opportunities elsewhere.

Program Review

To ensure the program meets the needs of the public service, the Commission has established and maintains liaison with departments and agencies. In that regard, a need to redesign the Graduate Recruit Program has been identified. This redesign will be undertaken within the next fiscal year. This will be done to ensure the educational and professional qualifications of future participants satisfy organizational needs. These needs will be identified in the strategic human resource planning activities to be undertaken during FY 2002-03 by the Treasury Board Secretariat.

***Future Direction of the
Graduate Recruitment
Program for 2002-2003***

- ▶ Redesign the Graduate Recruitment Program to ensure the educational background of future recruits reflect organizational needs.
- ▶ Structure Program for greater ownership by departments with improved commitment to retention.

D. THE EMPLOYEE ASSISTANCE PROGRAM (EAP)

The Public Service Commission, consistent with its arms-length status, administers the Employee Assistance Program (EAP) and co-ordinates the activities of the joint Labour Management Committee which oversees the Program. The EAP provides confidential counselling services to employees who are experiencing personal and workplace difficulties which may interfere with their ability to perform their job duties. The Program works to ensure productivity and work performance are not negatively impacted, providing consultation and training services to managers who are dealing with challenging employee issues. These services are delivered directly by Commission staff and through community based and private service providers who are contracted across the Province.

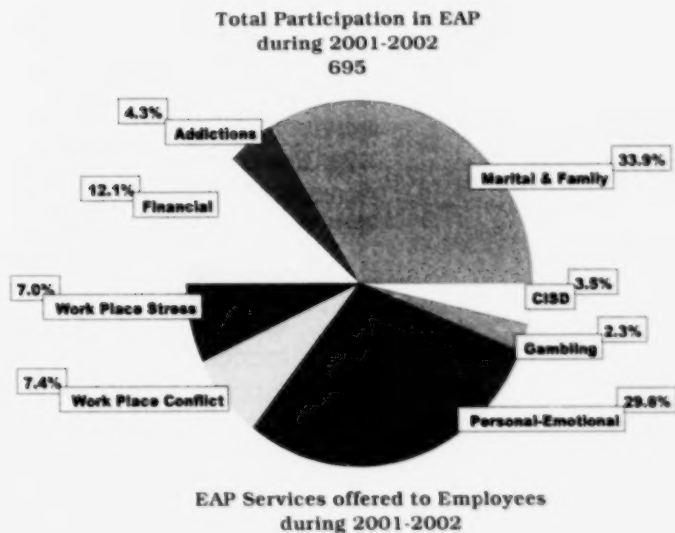
Summary of Activities and FindingsEAP Participation

Participation in EAP services has been increasing over the past number of years with 695 employees availing of services during 2001-02. This represents a 9.7% increase over the previous year and a 125% increase since 1996. Several factors appear to be influencing the increased demand for services:

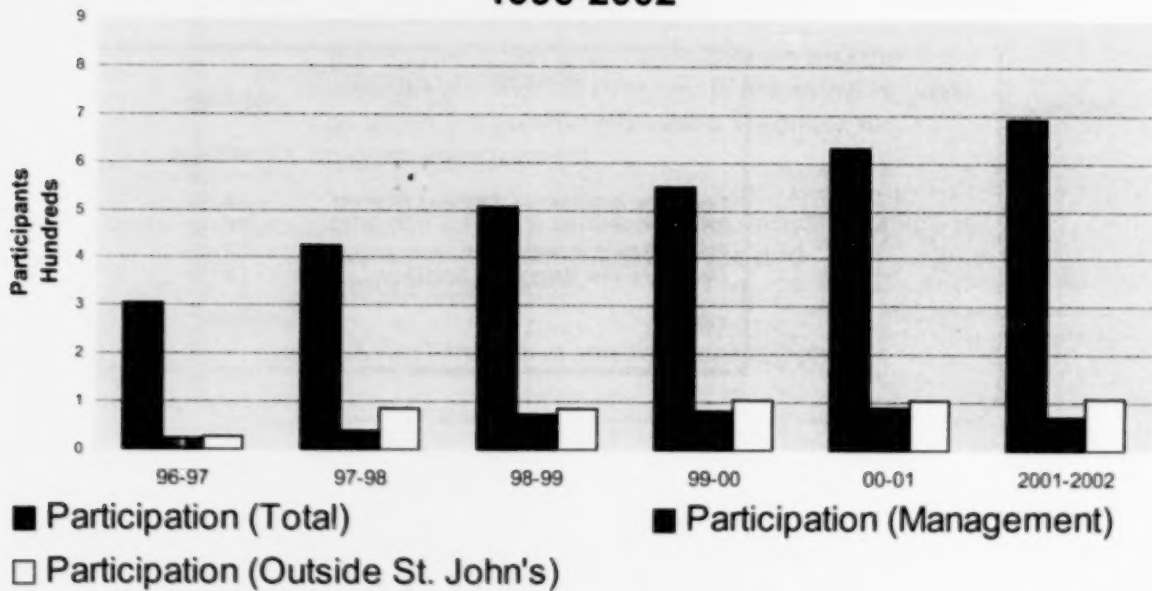
- ▶ increased accessibility to supports for employees and their families;
- ▶ recognition of the value of these supports in assisting employees better cope and remain productive in a changing work environment; and
- ▶ organizational and workplace changes associated with staff reductions and restructuring.

EAP COUNSELLING SERVICES (01/02)	
Addictions	30
Marital/Family Relationships	236
Financial	84
Work Stress/Burnout	49
Personal/Emotional	206
Workplace Conflict	50
Critical Incident Stress De-briefing	24
Total	695

Although overall participation in the Program has steadily increased, participation by employees outside the St. John's area has not. Therefore, there will be an increased emphasis on Program promotion in all regions during the coming year. In the area where increased participation is being experienced, the number of employees with mental health issues in the workplace, as well as with workplace stress, continues to grow. This is consistent with emerging data from other public and private sectors. Further exploration of this issue, including causes, impact on the workplace and recommended solutions will be a program priority for the coming year.



PARTICIPATION IN EAP 1996-2002



This represents a 125% increase in participation over the past six (6) years.

Training and Consultation

Training and consultation with managers and shop stewards is on-going. Training is designed to increase awareness of the importance of early intervention. This will pre-empt the need for more crisis driven responses that become necessary when individual and work group problems are not addressed. It also provides information on the supports available through the Employee Assistance Program, as well as strategies for supporting employees' return to full productivity. Training in such areas as stress management continue to be offered in order to equip employees with the skills required to maintain mental health.

WORKSHOPS / PRESENTATIONS (01/02)	
	<u># Employees</u>
Fostering Resilience - Training Support	18
EAP Presentation	76
Stress Management	52
Employee and Workplace Health	<u>71</u>
Total	217

**Future Direction of the
Employee Assistance
Program (EAP) for 2002-
2003**

- ▶ Provide increased training opportunities for managers in the importance of early intervention.
- ▶ Develop measures which demonstrate that the Employee Assistance Program is achieving its goals, and which will provide evaluative feedback for program improvement.
- ▶ Complete a review of the existing benefit structure to ensure that it is meeting employee and organizational needs.
- ▶ Increase Program promotion in all regions.

E. THE RESPECTFUL WORKPLACE PROGRAM

The goal of the Respectful Workplace Program is to provide access to a range of services which can resolve conflicts in the workplace, thereby reducing the need for lengthy and costly grievances and other confrontational processes. The types of services currently offered through the Respectful Workplace Program are coaching and consultations on specific conflict situations; mediation, facilitation & other problem solving supports; workplace assessments in situations where conflict affects the entire work group; and customized training and presentations in the area of conflict management resolution.

Summary of Activities and Findings

Program Established

**Respectful Workplace
Program established
for the public service.**

The Respectful Workplace Program was established as a pilot project to address a number of identified organizational concerns. The lack of an effective conflict resolution process in the Public Service resulted in costly grievances and harassment complaints, often seen as the only recourse. Employees have been negatively impacted by the lack of prevention and follow up services related to harassment issues. As well, a significant number of referrals to the EAP were based on interpersonal conflict in the workplace. The stress associated with these unresolved conflicts resulted in sick leave costs and reduced productivity. A review of the EAP in 1994 resulted in a recommendation to implement conflict resolution services.

In order to respond to these concerns, a Respectful Workplace Project was established by the Commission in 1999. The project is operated in partnership with the Treasury Board Secretariat, the Public Sector Managers' Association, the Newfoundland Association of Public and Private Employees and the Department of Justice.

Consultations with managers, union representatives and front line employees, as well as a public service wide random survey, confirmed a significant erosion in productivity associated with unresolved conflicts and the lack of a clear dispute resolution process. Following are some of the key results of the consultations and survey:

Results of Random Survey and Highlights of Consultations

Results of Random Survey (Full report available at www.gov.nl.ca/psc/.)

- ✓ 80% agreed that destructive conflict exists in the workplace.
- ✓ 60% have been involved in a conflict situation having a negative impact on work.
- ✓ Over 60% felt that conflict is not managed well.
- ✓ 28% have experienced harassment in the workplace.
- ✓ Over 18% have taken sick leave due to unresolved workplace conflict.

Highlights of Consultations

- ✓ Managers need training support.
- ✓ Employees need awareness sessions.
- ✓ Consensus on the need for a clear process to resolve conflict.
- ✓ Employees fear repercussions in bringing concerns forward.
- ✓ Addressing conflict is generally avoided across the public service.

What Employees would like to see in a Respectful Workplace Program

- ✓ A clear, communicated process.
- ✓ An external, impartial and well trained person as mediator.
- ✓ Assurance of confidentiality.
- ✓ Choice of several different contacts.
- ✓ Manager, Human Resources, and union support.
- ✓ Awareness and skills training.

Conflict in the Workplace

These findings demonstrate that early management of difficult interpersonal situations is often delayed or avoided. Clearly, we have significant work to do as an organization in providing relevant skills training and supports. However, there are indicators that these issues are beginning to be addressed. Managers are now using the services available through the Program for awareness and skill building and for assistance in managing conflict. As well, Treasury Board has revised its Personal Harassment Policy. The Program will support the roll out of the Policy across Departments. Current funding for this pilot project is provided as an Organizational Development Initiative. Permanent funding will be required to address the issues identified and move the initiative forward.

**RESPECTFUL WORKPLACE SERVICES
(2001-2002)**

# Depts Requesting Services	14
# Harassment Service Requests	14
# Harassment Training Requests	2
# Training Sessions	30
# Individual Consultations	22
# Management Consultations	10
# Union Consultations	11
# Mediation	5
# Workplace Programs Developed	4
# Workplace Interventions	4

**Future Direction of the
Respectful Workplace
Program for 2002-2003**

- Continue delivery of alternate dispute resolution services.
- Develop and deliver, in conjunction with the Treasury Board Secretariat, training and information sessions on the revised Harassment Policy which promotes prevention and early intervention in problem areas.
- Establish a roster of public service employees who are interested in becoming mediators.
- Develop and deliver conflict resolution training for managers.
- Seek core funding to effectively address identified issues.

F. WORKPLACE WELLNESS

The Workplace Wellness initiative was developed in response to recommendations emanating from several major reviews of the Employee Assistance Program. While re-confirming the need to support employees experiencing difficulties, implementation of a more pro-active approach focussing on preventive programs was recommended. During 1999, a Provincial Wellness Committee coordinated by the Public Service Commission was established. The mandate of this committee is to encourage individual employees to assume responsibility for their own personal health practices and to help foster an environment within the Public Service which reflects the criteria used to determine a healthy workplace.

Summary of Activities and FindingsResearch

A multitude of research has been conducted on the relationship between employee health and such factors as absenteeism, productivity and morale. Research has also been conducted on the benefits of organizational attention to wellness programs and the work environment.

Developing a business case on the need for wellness programs.

The Workplace Wellness initiative co-ordinates events such as Wellness Week and Health Fairs which focus organizational attention on employee health. During 2001-02 efforts were also made on the compilation of a business case related to the need for wellness programs. The first phase of this research has been completed.

The Public Service is at a very early stage in understanding the importance that employee health and wellness plays in achieving organizational goals. Initial research points to initiatives that are currently in place in other jurisdictions which demonstrate results from investment in employee wellness activities. There is significant data confirming that productivity and the physical and mental health of employees are intricately linked; and that employee wellness initiatives in our public service require greater attention in order to see concrete results. Currently, there is no funding

for the Wellness Initiative. Some investment of resources will be required in order to achieve improvements. The Department of Health and Community Services has provided funding which will enable further research and a closer exploration of our Public Service as a healthy workplace. This research will commence during Fiscal Year 2002-03.

WELLNESS TRAINING (01/02)	
	<u># Employees</u>
Stress Busters	14
Positive Parenting	7
Setting Up A Family Budget	9
Healthy Eating	<u>11</u>
Total	41

***Future Direction of
Workplace Wellness for
2002-2003***

- ▶ Continue support of initiatives which support individual employee wellness, with particular emphasis on the building of regional and Departmental committees.
- ▶ Provide senior management with current research data. This will demonstrate the importance of employee wellness in assisting the organization achieve its strategic objectives.

A. PRE-RETIREMENT SERVICES

The Public Service Commission has re-established its role in providing pre-retirement supports to public service employees. This results from employee requests for information related to issues such as pensions, group insurance, lifestyle changes and investment planning. As part of its role, during 2001-02, the Commission provided pre-retirement sessions which addressed these issues with employees throughout Newfoundland and Labrador.

Summary of Activities and FindingsChanging Demographics

Need for early retirement and financial planning

The Commission completed a research project to identify programs, services and practices which other organizations offer their employees to help them prepare for retirement. As well as looking at other jurisdictions, the views of retired public service employees were obtained for insight on how the workplace supported their transition; and which areas could be improved. Many employees indicated that key information related to financial planning should be provided at an earlier stage in their careers. An increased emphasis should be placed on retirement planning.

The research also indicated that the demographics of the public service are similar to those of the workforce as a whole. These demographics indicate that as our workforce ages, it is reasonable to expect labour shortages. Some recommended solutions to mitigate against the impact of the changing demographics of the workforce include:

- ▶ phased retirement;
- ▶ training for older employees; and
- ▶ rewards and recognition for the contribution of older employees.

Need to research implications of an aging workforce.

It is evident that more extensive research is required in order to address the implications of an aging workforce. This research should include studying programs and services provided by other organizations. It is reasonable to assume that in addition to labour shortages, we can expect an increased need for information to assist employees in successful transitions to retirement.

Future Direction of Pre-retirement Services for 2002-2003

- ▶ Continue provision of pre-retirement planning sessions based on resource allocation.
- ▶ Develop a pilot Financial Planning session aimed at mid career employees.
- ▶ Establish a committee of stakeholders to examine the initial research findings, and make further recommendations.

B. APPEAL AND INVESTIGATION

In keeping with the restructuring of the Human Resource Management system, the Public Service Commission identified a need to better align some of its specific mandated functions. As a result, the Staffing function and the Appeal and Investigation Division were separated to remove any apprehension of bias related to complaints received.

The new "Appeal and Investigation Division" is responsible for the following functions:

- ▶ *Complaint Investigation;*
- ▶ *Commission Hearings;*
- ▶ *Management Grievances;*
- ▶ *Conflict of Interest;*
- ▶ *Classification Appeal Board; and*
- ▶ *Access to Information and Protection of Privacy Act.*

Summary of Activities and Findings

Investigations and Hearings

**200 staffing
enquiries;
14 related
complaints.**

During 2001-02, the Public Service Commission received approximately 200 enquiries and expressions of concern with job competitions within the public service. While most of these enquiries were resolved, fourteen (14) resulted in formal complaints that led to investigations.

Conflict of Interest

The Commission continued to facilitate and administer the requirements of the Conflict of Interest Act, 1995; specifically as it relates to the Conflict of Interest Advisory Committee. This Committee provides recommendations on referrals made by Deputy Ministers, Chief Executive Officers and Heads of Agencies.

**120 contacts on
Conflict of Interest**

During 2001-02, the Conflict of Interest Advisory Committee received very few formal written referrals requiring review/consultation. Of significance is the large number of requests for advice and consultation on Conflict of Interest matters. It is estimated that there were approximately 120 such requests.

Classification Appeal Board

**1095 new
classification appeals;
801 of which resulted
from occupational
reviews.**

Currently there are 1404 outstanding classification appeal submissions. As of March 31, 2001 there were 396 outstanding. During Fiscal Year 2001-02 there were a total of 1095 appeals submitted including a total of 801 submissions made as a result of a number of occupational reviews that had been conducted by the Treasury Board Secretariat. These reviews are listed as follows:

- ▶ Laboratory and X-Ray Occupational Review;
- ▶ Association of Allied Health Professionals Occupational Review;
- ▶ Trades Occupational Review; and
- ▶ Occupational Review of Utility Workers

During 2001-02, 67 appeals had decisions rendered; 20 were withdrawn or closed.

The process of dealing with these appeals during the reporting period was hampered by the lack of availability of appointed board members. As of March 31, 2001, a request for the appointment of 12 new members to the Classification Appeal Board was forwarded to Treasury Board. We predict that as a result of these appointments there will be significant increase in the rate at which appeal cases will be considered and decisions rendered. Additionally, a comprehensive training module is being developed that will adequately prepare new members for their duties.

CLASSIFICATION APPEALS (01/02)	
<u>INTAKE</u>	
# Appeals as of April 1/01	396
# Appeals Submitted in FY 01/02	<u>1095</u>
Sub Total # of Appeals	1491
<u>DISPOSITION</u>	
# Appeals Processed	67
# Appeals Withdrawn	<u>20</u>
Sub Total # of Employees	87
Total # Active as of March 31/02	1404

***Future Direction of Appeal
and Investigation for 2002-
2003***

- ▶ Review and develop complaint investigation mechanisms.
- ▶ Process and conclude outstanding Management Grievances.
- ▶ Develop and deliver training for chairpersons and panel members in the Management Grievance process.
- ▶ Facilitate Conflict of Interest Advisory Committee.
- ▶ Reduce the backlog of Classification Appeals.

**GOVERNMENT of NEWFOUNDLAND
AND LABRADOR**



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